

August 9, 2016

**BY ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Re: *Business Data Services In an IP Environment*, WC Docket No. 16-143;  
*Special Access for Price Cap LECs*, WC Docket No. 05-25, RM-10593;  
*Connect America Fund*, WC Docket No. 10-90;  
*High-Cost Universal Service Support*, WC Docket No. 05-337

Dear Ms. Dortch:

Alaska Communications hereby responds to an August 5, 2016 *ex parte* letter submitted by General Communication, Inc. (“GCI”) in the Business Data Services (“BDS”) rulemaking.<sup>1</sup>

As GCI correctly indicates, Alaska Communications is not dominant in the middle-mile market – a critical input for BDS in any and all of Alaska’s remote communities not connected to the road system or power grid (*i.e.*, Alaska “Bush” locations). Indeed, it is GCI that enjoys unique market power in the Alaska middle-mile market, as is demonstrated in Alaska Communications’ comments and reply comments in the BDS rulemaking.

Further, GCI overstates its case in alleging Alaska Communications’ “dominance” in the last-mile market. GCI’s allegations are vague, not clearly addressed to switched or special access, business or residential services. In fact, if any carrier has market power in the BDS market, it is GCI, the largest communications company in Alaska, with the greatest financial resources, and the largest network of communications facilities in the state.

GCI takes aim at special construction charges, leveling accusations that are not only unwarranted but also fall wholly outside the scope of this proceeding. GCI fails to disclose that its concerns stem chiefly from its own refusal to comply with Alaska Communications’ interstate tariff, which is substantially similar to the tariffs of hundreds of providers across the nation.

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<sup>1</sup> Letter from Tim Selzig, General Communication, Inc., to Marlene H. Dortch, FCC Secretary, in WC Docket Nos. 05-25 & 16-143, RM-10593 (filed Aug. 5, 2016).

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GCI refuses to recognize that a request for special-purpose facilities in small (less than 500 people) and remote communities, hundreds of miles from a road or power grid, is the very definition of “special construction.” Instead, GCI prefers to attempt to compel ACS to pay for GCI-specific facilities not needed by ACS or any other customer of ACS. Typically, GCI seeks to have ACS pay for local facilities to support E-rate and rural health care services, for which GCI receives millions of dollars in subsidies, and which it offers using its own monopoly middle-mile network that is not available to others on competitive terms.

Under the terms of the ACS tariff, GCI has the choice of constructing its own special access facilities, paying Alaska Communications under the terms of the applicable tariff, or hiring a third party to perform the necessary construction. In such circumstances GCI is at no competitive disadvantage – it is free to choose the most efficient solution for construction of the special facilities it needs.

The irony of GCI complaining about special construction charges in Bush Alaska should not be lost on the Commission. GCI possesses the only middle-mile facilities covering hundreds of miles between Anchorage (or Juneau) and a Bush community, yet it complains because it wants below-cost pricing from the incumbent local exchange carrier (“ILEC”) to complete the last-mile facilities necessary to reach a GCI end-user location or GCI wholesale facility in one of the most remote locations in the nation. All of this while GCI simultaneously is demanding hundreds of millions in Connect America Fund (“CAF”) support dollars for competitive eligible telecommunications carriers (“CETCs”) to deliver unspecified public benefits.

As Alaska Communications previously has recommended, the Commission should not fear for GCI’s ability to compete as an ILEC or a CETC in Alaska. By its own admission GCI is the largest network operator and the largest broadband provider in the state, and not in need of subsidized special construction from the ILEC.

Please direct any questions regarding this matter to me.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Karen Brinkmann".

Karen Brinkmann

*Counsel to Alaska Communications*